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JUL 28 2000

U. S. DISTRICT COURT
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BY

PENGUIN BOOKS LIMITED and
PENGUIN PUTNAM INC.,

Plaintiffs,

v.

FLYING PENGUIN PRODUCTIONS
LIMITED,

Defendant.

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

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No. A 00CA188 JN

FILED

JUL 31 2000

U. S. DISTRICT COURT
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AGREED FINAL JUDGMENT AND ORDER

Plaintiffs, Penguin Books Limited ("Penguin") and Penguin Putnam Inc. ("Penguin Putnam") and Defendant, Flying Penguin Productions Limited ("FPP") having agreed to a settlement of the matters at issue between them and to the entry of this Consent Judgment Order;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. The court has jurisdiction over the subject matter and the parties in this action.
2. Penguin Books is the owner of the marks PENGUIN, Penguin Design, and marks incorporating the word "Penguin", a Penguin design or a combination of both, and U.S. Trademark Registration No. 557,412; No. 561,636; No. 1,448,207; No. 2,106,643; No. 2,034,691; and No. 2,329,222. U.S. Trademark Registration No. 557,412; No. 561,636; and No. 1,448,207 are uncontested. All of these registrations are valid and existing.

3. Penguin Books is the owner of the domain name registration *penguin.com* and maintains a website at that domain name.

4. Plaintiffs, Penguin Books Limited and Penguin Putnam Inc. (collectively "Penguin") have built up extensive goodwill in the trademarks PENGUIN and Penguin Design. Penguin has spent significant amounts of time, money, and resources in advertising and promoting the goods and services under the marks PENGUIN and Penguin Design. That goodwill in PENGUIN and Penguin Design is a valuable asset to Penguin.

5. The PENGUIN and Penguin Design marks are famous and distinctive marks.

6. Penguin adopted and began using the PENGUIN and Penguin Design marks at least as early as 1940, long before FPP registered the domain name *penguin.net*.

7. FPP registered the domain name *penguin.net* and, after Network Solutions, Inc. put the domain name *penguin.net* on hold, FPP started using *uspenguin.net*. FPP has created and maintains a website at *www.uspenguin.net*. Through its website, *uspenguin.net*, FPP offers publishing services, publishes book reviews, and has links to the websites of third party booksellers.

8. FPP has filed a pending service mark application, Serial No. 75/770,029, with the U.S. Patent and Trademark Office for the mark PENGUIN.NET for "registration of domain names for identification of users on a global computer network."

9. FPP shall transfer all rights in PENGUIN.NET and of the domain names *penguin.net*, *uspenguin.net*, and any other trademark, trade name or domain name using the word "penguin" to Penguin Books. Until October 31, 2000, FPP may continue to use the trade name Flying Penguin Productions, but only for its present business provided that the

quality of its goods and services remain at least as good as those rendered prior to the date of this Order.

10. FPP shall destroy all devices, displays, advertising materials, promotional materials and any other materials which bear the infringing designations *uspenguin.net*, *penguin.net*, "Penguin" and the design of a penguin by October 31, 2000.

11. Except as otherwise specifically provided in the Order, Defendant, its owners, officers, agents, servants, representatives, employees, licensees, successors, assigns and all persons acting in active concert or participation with Defendant are permanently restrained and enjoined from doing, causing, aiding or abetting any of the following:

- i. using any domain name which includes the word "penguin" or some variation thereof;
- ii. using the word "penguin", a penguin design or any variation thereof as a trademark or trade name;
- iii. registering or attempting to register, directly or indirectly, in whole or in part, as a trademark, service mark, trade name, domain name the designations *uspenguin.net*, *penguin.net*, "penguin", the design of a penguin, or any other designation, mark or design which is identical to or confusingly similar to Penguin Books' PENGUIN mark and the Penguin Design mark.
- iv. engaging in any acts or activities directly or indirectly calculated to trade upon the reputation or goodwill of Penguin or to unfairly compete with Penguin in any manner;

- v. directly or indirectly infringing the trademarks PENGUIN or Penguin Design;
 - vi. using in the sale, offering for sale, promotion, advertising, marketing and distribution of goods or services or on any packaging, cartons, labels, display cards, wrappers, catalogs or any advertising or promotional material whatsoever the designations *uspenguin.net*, *penguin.net*, “penguin”, the design of a penguin, or any other designation, mark or design or any simulation, imitation or derivation thereof in such a manner so as to cause confusion, or be likely to cause confusion, mistake or deceive Penguin’s customers and the purchasing public into the belief that the goods sold and the services provided by Defendant are Penguin’s goods or services or are sponsored by or otherwise associated with Penguin or to dilute the rights of Penguin to its mark PENGUIN and the Penguin Design mark; and
 - vii. directly or indirectly objecting to or interfering with any application or registration for PENGUIN or a Penguin Design, anywhere in the world, filed or owned by Penguin Books.
12. No later than October 31, 2000, FPP shall change its name.
 13. The Court shall retain jurisdiction over this action to enforce this Order.
 14. Each party agrees to bear its own costs and attorneys’ fees.

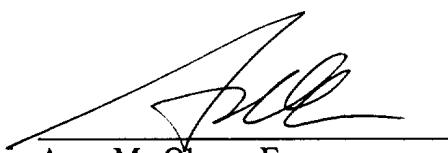
15. This matter is otherwise dismissed with prejudice.

Date: 7-31-00

Name: 
United States District Court Judge

Approved:

PENGUIN BOOKS LIMITED



Arne M. Olson, Esq.
Attorney for
Penguin Books Limited

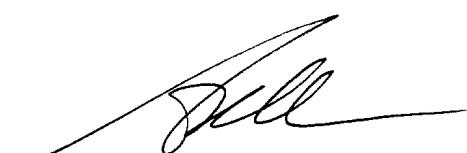
FLYING PENGUIN PRODUCTIONS LIMITED



Erik B. Cherdak, Esq.
Attorney for
Flying Penguin Productions Limited

Approved:

PENGUIN PUTNAM INC.



Arne M. Olson, Esq.
Attorney for
Penguin Putnam Inc.